

**The Honorable Marsha J. Pechman**

IN THE UNITED STATES DISTRICT COURT

WESTERN DISTRICT OF WASHINGTON

AT SEATTLE

SCOTTSDALE INSURANCE  
COMPANY,

Plaintiff(s),

v.

THERAPEUTIC HEALTH  
SERVICES,

Defendant(s).

Case No. 2:24-CV-01518-MJP

STIPULATED MOTION TO STAY  
PROCEEDINGS AND [PROPOSED]  
ORDER

NOTE ON MOTION CALENDAR:  
DECEMBER 10, 2024

**I. STIPULATION**

Plaintiff Scottsdale Insurance Company (“Plaintiff”) and Defendant Therapeutic Health Services (“THS”), through their respective counsel, submit this Stipulated Motion and [Proposed] Order to stay proceedings in this action until March 18, 2025.

Plaintiff filed this lawsuit seeking a declaration that it has no coverage or defense obligations under the policy issued to THS with respect to four underlying lawsuits filed in King County Superior Court (“Underlying Lawsuits”). Plaintiffs in the Underlying Lawsuits allege that THS failed to adequately safeguard its security systems, resulting in a data breach that exposed the private and confidential information of an alleged class of affected individuals.

THS and the plaintiffs in the Underlying Lawsuits are negotiating toward a potential settlement. Given the extensive issues in the Underlying Lawsuits and their evitable impact on the resolution of this case, the Parties in the present case respectfully request a 90-day stay of the proceedings. The requested time frame is likely sufficient to determine whether settlement discussions in the Underlying Lawsuits may be productive and result in a settlement in principle, which would assist the Parties in this case in identifying the proper next steps. In addition, a stay is warranted to conserve judicial resources and avoid unnecessary litigation expenses while the settlement efforts in the Underlying Lawsuit progress.

“The power of a federal trial court to stay its proceedings, even for an indefinite period of time, is beyond question.” *Cherokee Nation of Oklahoma v. U.S.*, 124 F.3d 1413, 1416 (Fed. Cir. 1997), citing *Landis v. North American Co.*, 299 U.S. 248, 254-55, 57 S. Ct. 163, 82 L. Ed. 153 (1936). As held by the Supreme Court, “[T]he power to stay proceedings is incidental to the power inherent in every court to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants.” *Landis*, 299 U.S. at 254.

The Parties desire to stay this action, including, without limitation, THS’ responsive pleading deadline, discovery, expert disclosures, motions, and trials. The Parties have agreed that resolution of the issues would be aided by a stay until March 18, 2025. The Parties agree to submit a joint status report to the Court by March 26, 2025.

If any resolution of the Underlying Lawsuits is finalized and impacts the progress of the current case, or if efforts to resolve the remaining claims are unsuccessful, the Parties shall include in their joint status report all information normally included in the initial joint status report and discovery plan submitted under FRCP 26(f) and LCR 26(f).

In light of the foregoing, IT IS HEREBY STIPULATED AND AGREED by and between counsel for Plaintiff and Defendant that this action, including all deadlines and dates, should be stayed until March 18, 2025. The Parties respectfully request the Court issue an Order staying this case until March 18, 2025.

**II. ORDER**

Pursuant to the parties' stipulation, it is so ordered. This action and all litigation deadlines in the current Case Schedule are hereby STAYED until March 18, 2025. The parties shall file a joint status report with the Court no later than March 26, 2025. If any resolution of the Underlying Lawsuits is finalized and impacts the progress of the current case, or if efforts to resolve the remaining claims are unsuccessful, the parties shall include in their joint status the normal information submitted pursuant to FRCP 26(f) and LCR 26(f) regarding scheduling.

DATED this 11th day of December, 2024.



HONORABLE MARSHA J. PECHMAN  
UNITED STATES DISTRICT JUDGE

DATED: December 10, 2024.

STIPULATED TO AND PRESENTED BY:

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